

March 26, 2003

RE: Invitation for Bid (IFB) #9294, Scratchers® Inventory Services

To All Prospective Bidders:

Following are questions received and their responses regarding the above-referenced IFB.

1. What is the current Contractor's rate?

Current Contractor's hourly rate is \$24.00.

2. What is the projected budget?

The projected budget is \$135,000 for the contract term plus the extension option and contingencies.

3. Are tickets for each game located in both Sacramento and Rancho Cucamonga?

Yes, Contractor shall conduct inventories in Lottery's Distribution Centers in Sacramento and Rancho Cucamonga.

4. If so, is each game inventoried simultaneously in both Sacramento and Rancho Cucamonga?

Yes.

5. On which days of the week are periodic inventories usually scheduled?

Friday, Saturday, and Sunday.

6. When are the disk files for games inventoried due to the Lottery?

Within 48 hours of inventory completion.

7. Does the restriction prohibiting playing lottery games noted in Exhibit C, Other Considerations, item 2, apply to any employees of the inventory service contractor?

The Contractor and its employees who provide direct services to the Lottery may not play Scratchers® games but may play on-line games such as SuperLotto Plus, Fantasy 5, Daily 3, and Daily Derby.

Thank you for your interest in this solicitation. We look forward to receiving your proposal on April 18, 2003.

Sincerely,

Margie Sunahara Contract Administrator Contract Services Section